DOCUMENT RESUME

ED 233 479 EA 016 044

AUTHOR Moore, Mary T.; And Others

TITLE The Interaction of Federal and Related State Education Programs. Summary Report of a Congressionally Mandated Study.

INSTITUTION Educational Testing Service, Princeton, N.J.

SPONS AGENCY Department of Education, Washington, DC.
PUB DATE Feb 83
CONTRACT 400-81-0022
NOTE 18p.; Funded by the School Finance Project. For related documents, see EA 016 045-046.
PUB TYPE Legal/Legislative/Regulatory Materials (090) -- Reports - Research/Technical (143)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Compliance (Legal); Conflict; Educational Administration; *Educational Opportunities; *Federal Legislation; *Federal Programs; Federal Regulation; *Federal State Relationship; Participative Decision Making; Politics of Education; Secondary Education; *State Programs; States Powers
IDENTIFIERS Civil Rights Act 1964; Education for All Handicapped Children Act; *Elementary Secondary Education Act; Federalism; Vocational Education Act 1963

ABSTRACT

This report summarizes a two-volume study focusing on state administration of selected federal education programs and federal and state interactions surrounding programs for special pupils. Federal programs and civil rights provisions examined include four titles of the Elementary and Secondary Education Act, the Education for All Handicapped Children Act, the Vocational Education Act of 1963, and Title VI of the Civil Rights Act of 1964. Findings drawn from an analysis of federal program requirements, documentary material, and personal interviews with over 300 individuals at the state and local levels in eight states indicate that while the federal education programs examined did not have a great impact on the states' political environments, federal and state program interactions are robust and diverse, without the intense conflicts expected from popular accounts. Current federal education strategies emerging from the study include the following trade-offs: requiring a basic level of uniformity across the states that initially induces greater intergovernmental conflict; granting more decision-making discretion to the states, resulting in wider program variation but less conflict; and bypassing state-level administrative structures, thereby relinquishing a strong impact on state actions but minimizing potential conflict. (JBM)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
✓ This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official NIE position or policy

ED233479

THE INTERACTION OF FEDERAL AND RELATED STATE EDUCATION PROGRAMS

Summary Report of a Congressionally Mandated Study

EDUCATIONAL TESTING SERVICE
DIVISION OF EDUCATION POLICY RESEARCH AND SERVICES
Rosedale Road
Princeton, New Jersey 08541

February 1983

EA 016 044

THE INTERACTION OF FEDERAL AND RELATED STATE EDUCATION PROGRAMS

Executive Summary

By: Mary T. Moore, Educational Testing Service
Margaret E. Goertz, Educational Testing Service
Terry W. Hartle, Educational Testing Service
Harold R. Winslow, Jr., Bay Area Research Group
Jane L. David, Bay Area Research Group
Jane Sjogren, Independent Consultant
Brenda J. Turnbull, Policy Studies Associates
Richard J. Coley, Educational Testing Service
Richard P. Holland, Educational Testing Service

This report was prepared by Educational Testing Service, Princeton, New Jersey, under Contract No. 400-81-0022, for the School Finance Project, U.S. Department of Education. The contents do not necessarily reflect the position or policy of the U.S. Department of Education and no official endorsement by the Department of Education should be inferred.

Copies of the final report can be obtained by contacting:

Educational Testing Service
Suite 300
1800 Massachusetts Ave., N.W.
Washington, D.C. 20036
(202-659-6440)

Context for the Study

This study was conceived in the summer of 1981 against the backdrop of a two-tiered debate concerning the future federal role in education. The intent of the study was to examine how federal education programs affected the states' administration of federal and related state education programs. The study was not an attempt to define what the federal role should be, but rather an effort to describe and analyze how the states responded to, and were affected by, the combination of federal education programs in operation in 1981-82. By pursuing this course, the study sought to inform policymakers' knowledge and understanding of how federal programs under their current configuration influenced the states.[1]

The proper organization of responsibility among federal, state and local governments is a central issue in policy debates in the 1980s. While the issue is timeless, the content of the debate changes as different societal needs arise and perceptions shift about the competence and propriety of various governments to meet those needs.

The current debate in regard to education takes place on two related yet distinct levels. The first level questions federal intervention in education altogether. One faction posits education is the proper domain of state and local authorities; therefore, federal involvement should be as minimal as possible -- or put differently, the familiar "marble cake" of

---

[1]This study was part of a larger research program mandated by P.L. 95-851 (Section 1203), the Education Amendments of 1978, to examine how public and private elementary and secondary education is financed, and what role the federal government should play in the process. The School Finance Project (SFP), established to implement this mandate, commissioned three field-based studies: this study; a study of the cumulative effects of federal and state programs on school districts and schools conducted by SRI International; and, a study analyzing alternative state programs for special pupil populations undertaken by Decision Resources.

American federalism should return to a layer cake.[1] Opposing viewpoints hold that federal involvement and shared functions are critical to the pursuit of national, as distinct from more parochial state, purposes.

At a second level, the question focuses on the proper assignment of functions within various educational policy areas. Here, federal involvement is assumed, but debate surrounds the issue of the appropriate balance between federal objectives and needs for accountability, on the one hand, and recipients' need for flexibility and discretion, on the other. Critics of the current federal role maintain that the scales have tipped too far in the direction of the federal government, charging that federal requirements are administratively burdensome, uncoordinated and inflexible; supporters argue that careful controls are necessary to ensure that state and local governments faithfully pursue federal goals and objectives.

To the extent that federalism issues in education are ever resolved, they are dealt with in conjunction with a myriad of other public policy concerns. Accordingly, the education federalism debate of the 1980s is wrapped up in, and shaped by, questions of national budget deficits and economic stagnation. In addition to these concerns are public attitudes that betray a yearning for simplicity and a reversal of government activism. The federalism debate in education cannot be totally isolated from these larger events nor from the course of federalism in general. Nevertheless, acknowledging the presence of these larger events and breaking down the

---

[1] In 1960 Morton Grodzins wrote his now-famous critique in which he argued that American federalism no longer resembled a "three-layer cake" where functions were neatly divided into federal, state, and local activities. Rather, federalism was more like the "rainbow or marble cake" in which the activities were inextricably mixed. Grodzins, Morton, "The Federal System." Goals for Americans: Programs for Action in the Sixties, (Report of the President's Commission on National Goals and Chapters Submitted for the Consideration of the Commission), New York: Prentice-Hall for the American Assembly, 1960.

debate into discrete, analyzable questions can assist policymakers to make informed judgments that are less subject to the pressures of the times.

Overview of the Study

This study focused on two major dimensions of the intergovernmental system: state administration of a select set of major federal education programs; and, federal and state interactions surrounding programs for special pupils. The federal programs and civil rights provisions examined included: Titles I, IV, V and VII of the Elementary and Secondary Education Act (ESEA); the Education for All Handicapped Children Act (P.L. 94-142); the Vocational Education Act; Title VI of the Civil Rights Act of 1964; Title IX of the Education Amendments of 1972; and Section 504 of the Rehabilitation Act of 1973. The state programs studied included those analogous in purpose to these federal programs.

The federal programs examined predated the revisions made by the 1981 Education Consolidation and Improvement Act (ECIA). That legislation had just been enacted when we began fieldwork making it impossible for us to assess its impact on the states. The following brief profiles describe the federal programs constituting the focus of our inquiry.

- Title I of the Elementary and Secondary Education Act, the largest federal elementary and secondary education program, provides funds to local school districts to meet the needs of educationally disadvantaged children residing in high-poverty areas. Title I also contains set-aside amounts for institutionalized handicapped children, children who are neglected or delinquent, and children of migratory workers. Funds are allocated to local school districts (and schools within districts) based on low-income criteria. Once funds reach the school level, students are selected for participation in the program by educational achievement criteria. ECIA revisions changed the name of this program to Chapter 1 and reduced the administrative requirements on states and local school districts.

- Title IV of the Elementary and Secondary Education Act includes Part B (grants for instructional materials) and Part C (grants to improve the quality of educational practices through locally initated projects and activities). Federal grant allocations, based on each state's share of the national student population, are made to each state that has filed an approved plan with the Department of Education. Under Part B (instructional materials), SEAs allocate funds to LEAs on the basis of public and private school enrollment, with adjustments to reflect local tax effort, expenditure levels and percentages of high-cost children. SEAs distribute Part C funds for innovative or exemplary programs to LEAs on a competitive grant basis; 15% of a state's allocation is earmarked for projects for handicapped children. ECIA has consolidated this program into the Chapter 2 education block grant.

- Title V of the Elementary and Secondary Education Act was designed to help SEAs develop the capacity to undertake the administrative responsibilities imposed by the various federal education programs. Funds are intended to strengthen the educational leadership in the SEA and to assist it in identifying and meeting critical educational needs. Approvable activities include designing more equitable school finance programs, assessing educational progress, teacher assistance, dissemination, training, and curriculum development. Title V is now part of the ECIA Chapter 2 block grant.

- Title VII of the Elementary and Secondary Education Act, the Bilingual Education Act, provides grants on a competitive basis directly to local districts. SEAs are eligible to receive five percent of the Title VII district grants in the state for coordination of state technical assistance activities. Title VII legislation is very specific about the definition of bilingual programs eligible to receive federal support. The statute defines a bilingual program as including "instruction given in, and study of, English and, to the extent necessary to allow a child to achieve competence in the English language, the native language of the child." (20 USC 3223 (a) (4)).

- P.L. 94-142, the Education for All Handicapped Children Act, has three goals: 1) ensuring that all handicapped children have available to them a free appropriate public education (FAPE); 2) ensuring that the rights of handicapped children and their parents are protected; and 3) assisting states and localities in providing for the education of the handicapped. P.L. 94-142 provides pupil-based formula grants to SEAs that submit acceptable state plans to Washington. While 25% of this federal aid may be used for SEA administration and for services provided directly by the SEA, the remainder is allocated by federal formula to LEAs that submit acceptable applications to the SEA.

- The Vocational Education Act of 1963, as amended, is the oldest federal education program. Its purpose is to help states build vocational programs and improve planning for vocational education and manpower training. To accomplish its goal, the legislation includes extensive state-level planning requirements, funding for special

needs groups, and matching requirements to ensure appropriate levels of state financial participation. In allocating funds to local school districts, states must give priority to economically depressed areas and areas with high unemployment levels, and recognize district financial ability and low-income concentrations. While VEA aid is fairly unrestricted in its use, the law contains set-asides for the handicapped, disadvantaged, limited English-speaking students, and for postsecondary and adult programs.

- o Civil Rights Laws that pertain most directly to educational discrimination are Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, and Section 504 of the Rehabilitation Act of 1973. These laws forbid discrimination by recipients of federal aid on the basis of race, color, or national origin; sex; and handicapping condition, respectively. These laws provide no federal funds; rather, recipients who receive federal financial assistance must abide by these requirements as a condition of receiving that assistance. Federal aid recipients must file an assurance of compliance with these laws or be implementing a plan to achieve compliance.

After completing a thorough analysis of the requirements contained in these federal laws, in the spring of 1982 we visited eight states -- California, Louisiana, Massachusetts, Missouri, New Mexico, New York, Virginia and Wyoming -- to ascertain the administrative effects and program interactions associated with these programs. Those states were selected to represent a wide spectrum of political, economic, institutional, and programmatic environments relevant to the administration of education policy.

The study's findings rely on an examination of federal program requirements, documentary material from each state, and personal interviews with over 300 individuals at the state and local levels. Within the states, we spoke with state education agency officials and staff, legislators and their staff, interest group representatives, local school administrators, teachers and journalists who covered education. The wide spectrum of states and range of persons, coupled with the scope and intensity of our interviews, give us confidence that the findings of the study are generalizable to the 50 states.

Findings of the Study

Federal Requirements Imposed on the States

With respect to elementary and secondary education the federal government has pursued two overarching objectives: the extension of civil rights protections and the stimulation of particular programs and services to improve or expand educational opportunites available to the nation's children. Actions designed to extend civil rights protections largely have excluded any significant state role and instead have followed a path that emphasizes regulatory relationships between the federal government and local service providers. In contrast, in stimulating programs and services the federal government has generally relied on financial assistance grants coupled with conditions on the use of funds; these grants typically involve considerable managerial oversight and reporting responsibilities for state education agencies. Of course, exceptions to this general rule arise: P.L. 94-142 constitutes a blend of civil rights requirements embodied in a financial assistance program and ESEA Title VII, the bilingual education grant program, makes only minor provision for the involvement of SEAs. Thus while many strategies are available for the pursuit of federal goals (e.g. loans, loan guarantees, tax subsidies, government corporations, interest subsidies, insurance), federal efforts directed at elementary and secondary education have rarely employed these alternative approaches.

The seemingly simple bifurcated assistance/regulation federal role in elementary and secondary education is complicated by the fact that federal assistance grants and civil rights requirements vary significantly from each other. We found the six assistance grants we studied each embodied a separate state strategy that grew out of the unique history and purposes attached to each program. As a result, federal signals to

the states in vocational education, for example, differ in important ways from those in compensatory education. No two assistance programs send absolutely identical signals to state officials. Civil rights requirements, while containing important distinctions for service delivery recipients, send a fairly identical signal to the states: the states are not major instrumentalities of civil rights policy implementation. The bulk of federal efforts in civil rights are directed at local agencies and providers of services. Significantly, while officials in individual states in our sample complained about the appropriateness of particular federal strategies, we heard no complaints about the variability of strategies employed across federal programs. State officials appear to experience few problems in sorting out the multiple strategies and requirements that emerge from Washington.

State Political and Institutional Environment

With the exception of the legitimizing role federal efforts played in behalf of similar state efforts, the federal education programs we studied did not prominently influence the states' political environment. The state actors who shape education policy beyond the state education agency were relatively uninvolved in federal programs. In spite of newly assumed powers to reappropriate federal funds we found that most state legislators knew little about and paid minimal attention to federal education programs. A few governors espoused a general interest in education, but as a whole governors' offices were not involved in the implementation of federal education programs. As a result, decisions regarding the administration of federal programs by and large are firmly in the grasp of state education agencies.

In most states, interest groups for special populations targeted by federal programs appeared loosely organized, uncoordinated and not consistently active in the state level policy process. Some groups, however, (especially those supporting programs for the handicapped) were capable of instituting pressure on state officials over specific issues of interest. Typically, however, interest group activity involving federal special needs programs or civil rights efforts was sporadic in the majority of states visited.

Federal programs in combination with changing state education climates in the 1970s (increased state spending for education, state basic skills policies, and school finance reform) were quite influential in altering the size, staff and functions of state education agencies. Compared to 15 years earlier, these agencies had expanded significantly in size and complexity. Federal funds on average supported 50% of the staff working in SEAs across our sample states. In general, current SEA staff are more diversified in background and skills; in contrast to an earlier emphasis on curricular expertise, SEA staff today spend most of their time in activities such as program monitoring, review, technical assistance, data collection and evaluation. As SEA functions and responsibilities increased over the last 15 years, we detected a shift toward greater SEA authority over school districts and the emergence of a more legalistic relationship between the two levels.

The extent to which federal special needs policies are institutionalized in the states clearly varies from state to state and among federal programs, but we conclude that institutionalization is generally quite limited for those programs that constitute the bulk of federal aid. The uneveness of state program mandates for special needs programs, low funding levels (except in special education), limited civil rights

efforts and interest group activity support this conclusion. Even the special need program with the greatest support at the state level (i.e. handicapped education) showed some signs of erosion in that support. For example, if federal protections for handicapped education were removed, our respondents predicted that state laws would follow suit.

The Interaction of Federal and State Education Programs

As a whole, our findings regarding federal and state program interactions portray a robust, diverse and interdependent federal/state governance system. We did not see states passively administering federal education programs, nor did we see states reluctant to tackle educational agendas of their own -- some of which reflected federal objectives, and others which did not. At the same time, federal program signals proved significant influences on states' actions with respect to the management of federal programs and in several instances with respect to state programs.

State political traditions, climate and SEA priorities actively influenced the translation of federal education programs and policies in the states. Because these state factors vary greatly across the states (particularly their contextual meanings), state administrative responses to the federal programs we studied were quite diverse. For example, in one state, districts were free to adopt a variety of innovative designs in their ESEA Title I programs; in another, districts were restricted in their choice of instructional content and design. One state conducted considerable on-site compliance monitoring of P.L. 94-142; another state relied on off-site compliance review. These examples demonstrate a few of the different ways we saw states tailor federal programs to the state environment.

While we found that state forces actively shaped federal programs and policies, we also found federal program and policy signals heavily

influencing the course followed by the states. ESEA Title I and P.L. 94-142 programs retained considerable consistency from state to state in spite of individual state influences. Years of federal signals emphasizing the supplemental nature of services and the need to target those services on educationally disadvantaged students, along with the galvanizing force of federal audits, explain the marked congruency characteristic of Title I programs. P.L. 94-142, through its legal protections, service mandate and requirement that state laws at a minimum follow federal law, strongly influenced state administrative behavior. All of the states we visited altered their laws, regulations or practices to comply with federal handicapped requirements. In spite of most states' discomfort with the new planning and set-aside requirements contained in the 1968 and 1976 vocational education amendments, retaining federal dollars proved a powerful incentive for states to comply by implementing these policies.

Administrative problems frequently associated with federal programs -- lack of coordination across programs, administrative burden, and a federal franchise in the states that countervails state policy -- emerged in this study as complex issues that cannot simply be attributed to the operation of federal programs. While federal initiatives may be implicated to varying degrees in these problems, state program designs, administrative organization patterns and agency incentives contributed substantially to whatever concerns state officials expressed about these issues. Because of the heavy federal subsidization of staff in federal programs, state officials did not by and large complain about the administrative burdens imposed by federal programs. Some officials took exception to the planning and reporting requirements in vocational education, but they acknowledged that these tasks were largely federally supported at the state level. In general, opinion at the state level

did not indicate SEA administrative problems as major sources of dissatisfaction with federal involvement in education. Coordination efforts varied across the states we visisted; in general program coordination at the state level depended on state priorities and politics although in certain instances federal program signals impeded (and occasionally facilitated) program coordination.

Finally, state conflicts with federal programs did not exhibit the intensity we had expected from popular accounts. While we did not find a massive level of tension between the states and the federal government, some real conflicts were apparent in the areas of vocational education and special education. State conflicts in vocational education centered on the newer requirements regarding extensive planning, data collection and set-asides for students with special needs. Special education conflicts focused on federal prescriptiveness especially regarding due process procedures and the open-ended nature of requirements like related services. Both these areas of conflict represent federal signals requirements that are relatively new and that pressure states to alter existing program operations. In contrast, we found little state conflict with federal programs that gave states major discretion (ESEA Title IV) or that had existed for some time (ESEA Title I).

Conclusions and Policy Implications

The Status of the Intergovernmental System

Based on our inquiries and analyses four major attributes mark the contemporary intergovernmental system of education:

- Both the states and federal government are strong actors in education.
- Federal and state policy priorities for the education of special needs students, while convergent in some cases, more frequently are divergent.

- o States have developed organizational capacities which surpass those of 15 years ago, but these capacities remain partially dependent on federal dollars.

- o While intergovernmental conflicts exist, they are neither massive nor common across all federal programs. Similarly, many state administrative problems are overstated and inaccurately ascribed to federal programs as their singular source.

These attributes are important for policymakers to ponder as they contemplate calls to maintain existing policies or proposals to refashion new intergovenmental approaches in the field of education. Contrary to the dim assessments scholars made in 1965 about the states' abilities to manage federal programs, or the conventional zero-sum assumption that expanded federal actions have eviscerated state policymaking capacity, the states emerge today as vibrant entities in the intergovernmental system.

In spite of this strengthened position, policymakers have little reason to expect that most states at this point in time will assume the equity agenda that defines much of the current federal role in education. The lack of active political support for many of these programs and problemmatic fiscal conditions in many states suggests that building a strong base of political support for these purposes would take a great deal of effort. In addition, major reductions in federal support of SEA activities may leave the states not only unwilling, but managerially unable to assume federal education programs.

Intergovernmental conflicts and administrative problems did exist across our study states. However, the conflicts we uncovered by and large derived from two programs: vocational education and special education. The usual administrative problems attributed to federal programs -- lack of program coordination, administrative burden, and powerful federal franchise offices within state agencies -- either became non-issues at the state level or owed their origins to factors beyond

federal program requirements. Readers should not infer that improving program coordination or reducing unnecessary paperwork do not require policymakers' attention; our conclusions only indicate that these issues are not perceived as major problems at the state level nor do they exclusively derive from federal sources.

Trade-Offs Among Federal Strategies

Decisions about existing and future federal activities in education require more than a current understanding of the intergovernmental system; they also require knowledge about the consequences of pursuing alternative strategies. Federal policymakers have a variety of strategic choices before them when designing and implementing a program or policy: whether to rely on regulation or financial assistance; how much decision-making latitude to allow states; whether to bypass states as administrative agencies; how to pursue oversight and enforcement of program requirements; and when to expect program results. All these choices require policymakers to weigh alternatives and assess expected benefits against the costs of pursuing particular strategies.

Our assessment of the state level impact of various federal program strategies yields three general propositions concerning the state-level consequences of alternative federal approaches:

- Federal actions can achieve a basic level of uniformity across the states, but they do so at the price of federal-state conflict. Time and the infusion of sizable amounts of federal money appear to mitigate this conflict.

Strong federal requirements and oversight of state actions in response to those requirements (e.g. the ESEA Title I and P.L. 94-142 experiences) illustrate federal strategies that have resulted in relative program uniformity across the states. However, both strategies resulted in notable intergovernmental conflict. Time and a reliance on federal dollars

to pay the costs of the program have allowed ESEA Title I to emerge today as relatively free from major conflict at the state level. The P.L. 94-142 strategy has not yet experienced the amelioriating benefits of time nor the infusion of federal dollars to cover most service costs. Consequently, the program continues to be a source of intergovernmental friction.

- Granting more decision-making discretion to the states results in wider program variations across the states. This strategy leads to little federal-state conflict because it subsidizes the support of state-selected initiatives. While a low level of confict is often desirable, wide variations may be undesirable if federal and state priorities do not converge.

The basic grants portion of the vocational education program (as distinct from the special needs set-asides) and ESEA Titles IV and V varied markedly in their implementation across the states we studied. These programs were uniformly popular and with the recent exception of vocational education have produced little conflict at the state level. But the newer components of the vocational education program (the planning and reporting requirements and the set-asides) have caused considerable conflict. These components were instituted as a result of federal policy-makers' dissatisfaction with the lack of state and local vocational efforts to address broader issues of appropriate occupational training and the inclusion of disadvantaged or handicapped youth in vocational programs. In short, federal and state priorities did not converge. Hence, policymakers shifted the program from one of broad discretion, engendering significant conflict in the process.

- Federal actions that bypass state-level administrative structures do not foster state efforts to address federal program objectives except in those states where the political environment is receptive to such actions.

ESEA Title VII and the civil rights programs, both embodying strategies that call for minimal state action, resulted in similar state outcomes. The states in our sample participated in these policy areas only when state

factors (political climate and SEA priorities) spawned similar programs at the state level. The federal programs legitimized some of these state actions but in the absence of a favorable political climate they resulted in inaction at the state level. Not surprisingly, federal strategies bypassing the states have led to minimal administrative conflict between the states and the federal government.

Proposals to Reform Federal Policies

Trade-offs also emerge around proposals to change the configuration of federal programs. This study suggests that block grant proposals are likely to increase program variations across the states, an outcome which might be undesirable in areas where uniform service standards are a national objective. Proposals to streamline current federal education programs and to reformulate the mix of incentives fall within the traditional accommodation and adjustment process so necessary to effective federal-state relationships. This study indicates, however, that in terms of streamlining, parsimony can conflict with clarity and by increasing state discretion it can widen program variations across the states. Also relevant is our finding that reformulated strategies that shift federal signals require time and bureaucratic reinforcement to demonstrate their full impact. This study further suggests that proposals calling for differential treatment of states based on states' conformance with federal objectives will be difficult to enact and implement because of the complexity involved in defining and assessing minimal levels of performance for state special needs programs.